

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

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Person To Contact:

, ID No.

Telephone Number:

Refer Reply To:

CC: INTL – PLR-100828-06

Date: June 15, 2006

Taxpayer =

EIN:

Subsidiary =

EIN:

Entity 1 =

Entity 2 =

Entity 3 =

Year =

CPA Firm =

aa =

bb =

cc =

In re: PLR-100828-06

Dear _____ :

This is in response to a letter dated December 27, 2005, 2004, requesting an extension of time under Treas. Reg. § 301.9100-3 to file an election agreement under Treas. Reg. § 1.1503-2T(g)(2) with respect to dual consolidated losses incurred in Year attributable to Taxpayer's interests in Entities 1 through 3. Additional information was received in a letter dated April 10, 2006. The information submitted for consideration is substantially as set forth below.

The ruling contained in this letter is predicated upon facts and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. This office has not verified any of the material submitted in support of the request for a ruling. Verification of the factual information, representations, and other data may be required as a part of the audit process.

Taxpayer owned all of the stock of Subsidiary during Year. Entities 1 through 3 are foreign branches of Subsidiary and are separate units described in Treas. Reg. § 1.1503-2(c)(3)(A). Entities 1 through 3 incurred losses of aa, bb and cc, respectively, during Year.

Taxpayer engaged CPA Firm to prepare its federal consolidated income tax return for Year. Taxpayer relied on CPA Firm to advise it about necessary elections, including dual consolidated loss elections required to be made for Year. However, due to an inadvertent oversight with respect to filing an extension request for Taxpayer's Year return, the consolidated income tax return for Year was not timely filed. Therefore, the election agreement required by Treas. Reg. § 1.1503-2T(g)(2) was not timely filed.

Treas. Reg. § 301.9100 -1(b) provides that an election includes an application for relief in respect of tax, and defines a regulatory election as an election whose due date is prescribed by a regulation, a revenue ruling, revenue procedure, notice, or announcement.

Treas. Reg. § 301.9100-1(c) provides that the Commissioner has discretion to grant a taxpayer a reasonable extension of time, under the rules set forth in Treas. Reg. § 301.9100-3, to make a regulatory election under all subtitles of the Internal Revenue Code, except subtitles E, G, H, and I.

Treas. Reg. § 301.9100-3(a) provides that requests for relief subject to this section will be granted when the taxpayer provides the evidence (including affidavits described in

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Treas. Reg. § 301.9100-3(e)) to establish to the satisfaction of the Commissioner that the taxpayer acted reasonably and in good faith, and the grant of relief will not prejudice the interests of the Government.

In the present situation, the filings described in Treas. Reg. § 1.1503-2T(g)(2) are regulatory elections as defined in Treas. Reg. § 301.9100-1(b). Therefore, the Commissioner has discretionary authority under Treas. Reg. § 301.9100-1(c) to grant Taxpayer an extension of time, provided that Taxpayer satisfies the rules set forth in Treas. Reg. § 301.9100-3(a).

Based on the facts and information submitted, we conclude that Taxpayer satisfies Treas. Reg. § 301.9100-3(a). Accordingly, Taxpayer is granted an extension of time of 60 days from the date of this ruling letter to file the required election agreement for Year with respect to dual consolidated losses incurred by Entities 1 through 3.

The granting of an extension of time is not a determination that Taxpayer is otherwise eligible to file the election agreement. Treas. Reg. § 301.9100-1(a).

A copy of this ruling letter should be associated with the election agreement that is the subject of this ruling.

This ruling is directed only to the taxpayer who requested it. I.R.C. § 6110(k)(3) provides that it may not be used or cited as precedent. No ruling has been requested, and none is expressed, as to the application of any other section of the Code or regulations to the facts presented.

Pursuant to a power of attorney on file in this office, a copy of this ruling letter is being furnished to Taxpayer's authorized representatives.

Sincerely,

Richard D. Fultz
Special Counsel
Office of Associate Chief Counsel (International)

Enclosure:
Copy for 6110 purposes